

***SAYS CONGRESS MUST REDUCE SPENDING AND BALANCE THE BUDGET***

**Washington, D.C.** – U.S. Rep. Vern Buchanan (FL-13) today commended both parties in the House for taking steps this week to restrict congressional earmarks and reduce spending.

Buchanan said he was pleased that House Democrats adopted a ban on budget earmarks to private industry — a position he adopted three years ago upon coming to Congress. House Republicans went even further Thursday and embraced an across-the-board ban on private AND public earmarks – a position Buchanan said he would adopt.

“Both parties are responsible for the overspending that led to our current debt crisis, and both parties will need to work together to get us out of it,” Buchanan said. Earmarks account for roughly \$20 billion in annual spending.

“If we are to restore fiscal sanity in Washington, Congress must take immediate action to reduce spending and balance the federal budget,” said the two-term lawmaker. “And although many public projects have merit, it is important that Congress cut spending and show the American people that it understands the seriousness of our financial problems.”

“Just this week we learned that the federal government ran up the largest monthly deficit in history in February,” Buchanan said, noting last month’s deficit totaled \$220.9 billion, 14 percent higher than the previous record set in February of last year. The deficit through the first five months of this budget year totals \$651.6 billion, 10.5 percent higher than a year ago. Furthermore, the administration predicts that the deficit will increase this year from \$1.4 trillion to \$1.56 trillion and that the deficit will remain above \$1 trillion in 2011, making it three straight years of \$1 trillion-plus deficits.

In the three years since Buchanan came to Congress:

- The deficit has jumped 10-fold from \$160 billion to \$1.6 trillion;

- Federal spending has ballooned from \$2.7 trillion to \$3.7 trillion – a staggering 37 percent increase at a time when inflation has hovered around 3.5 percent;
- And the national debt has increased from \$8.6 trillion to \$14.3 trillion --and is projected to hit \$26 trillion by the end of this decade.

For the first time in history, the credit rating of the United States government is in jeopardy because of doubts over our ability to dig out from under a mountain of debt.

“I recognize that eliminating funding requests made through the appropriations process will not fully solve our problem, but it is an important step as we face the prospect of massive federal deficits as far as the eye can see,” added Buchanan. “The alarming circumstances we now face demand bold and immediate action.

“We cannot afford to continue the reckless and irresponsible spending policies of the past decade,” continued the Congressman. “We are the greatest nation in the history of the world. There is nothing we cannot achieve if we put our mind to it -- including rebuilding our economic foundation.

“Even so, the signs of where we stand today are truly disturbing, and should be a call to action for anyone who cares about the future of our great country,” added Buchanan.

The New York Times warned that our nation’s overspending and deficits could “alter U.S. Politics and global power.” The Washington Times said we are “drawing closer to the kind of debt crisis plaguing some European countries, where a financial emergency forces political leaders to make draconian spending cuts and tax increases to maintain the confidence of international investors.”

The U.S. could lose its gold-plated AAA credit rating in coming years unless it quickly puts into place plans to curb budget deficits of more than \$1 trillion that have the potential to destabilize

government finances and the financial markets (Washington Times, 02/04/10).

- Under the President's budget, the national debt will soar from \$9.961 trillion at the beginning of 2009 to more than \$25.77 trillion in 2020—an increase of 147 percent.
- Over the next 10 years, annual deficits average \$917 billion every year under the President's budget. The current share of the debt is \$40,053 for every man, woman, and child in the U.S.

President Obama also warned of the coming fiscal crisis if we fail to act:

“Understand if we don't take meaningful steps to rein in our debt, it could damage our markets, increase the cost of borrowing, and jeopardize our recovery – all of which would have an even worse effect on our job growth and family incomes.”

“I have never requested earmarks for private-sector initiatives, and I have led the fight to reform the earmark process to make it more transparent to the American people,” said Buchanan. “My reform legislation would require a 72-hour notice to give the public time to review legislation, grant the President line-item veto authority to strip wasteful earmarks, and ban last-minute additions of earmarks in conference committee.”

Buchanan said he will also be pushing hard for Congress to adopt his spending reform proposals requiring a balanced federal budget and prohibiting congressional pay raises until the budget is balanced.